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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SEC-01 CIAE-00 COME-00 DODE-00 DOTE-00
EB-07 FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06
OES-06 EA-07 L-03 STR-04 AID-05 FRB-03 USIA-06
TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01
OMB-01 H-01 /083 W
----------190729Z 087470 /15
R 190017Z JAN 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 9770

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EO 11652 : N/A
TAGS : PGOV EWWT MX US
SUBJ : SQEEZE PLAY BY GOM TO FORCE TRANSFER TO MEXICAN OWNERSHIP
OF 49 PERCENT OF NAVIMEX STOCK

1. JAPANESE AND U.S. STOCKHOLDERS WILL MEET AT SAN FRANCISCO JANUARY 22, 1977 TO DISCUSS AND RESPOND TO NEW MERCHANT MARINE SECRETARY VELARDE'S UNEXPECTED MOVE OF CALLING IN NAVIMEX STEAMSHIP LINE'S OFFICIALS JANUARY 6, 1977 TO INFORM THEM THE GOM WANTS ITS FOREIGN STOCKHOLDINGS (25 PER CENT JAPAN LINES AND 24 PER CENT GENERAL STEAMSHIP CORPORATION OF SAN FRANCISCO) TRANSFERRED TO MEXICAN OWNERSHIP AS SOON AS POSSIBLE. VELARDE CITED PRESSURE FROM "ABOVE" AND MEXICAN LAW. NAVIMEX OFFICIALS QUESTIONED LEGALITY AND MORALITY OF MOVE, BUT CAME AWAY CONVINCED NO LEGAL ARGUMENTS COULD SWAY THE UNDERSECRETARY IN SEEKING HIS OBJECTIVE.

2. SUBSEQUENT DISCUSSIONS OF MATTER BY NAVIMEX OFFICIALS WITH SECRETARY OF COMMUNICATIONS AND TRANSPORT MUJICA IN THE PRESENCE OF VELARDE WERE ENLIGHTENING IN THAT THE SECRETARY PROFESSED IGNORANCE OF PROBLEM AND PENDING NAVIMEX COURT CASE REGARDING ITS LEGAL POSITION. SECRETARY
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SUGGESTED MATTER BE LEFT IN ABEYANCE PENDING COURT DECISION WHICH EMBASSY UNDERSTANDS IS EXPECTED IN NEXT MONTH OR SO. EMBASSY HAS SINCE LEARNED ALSO THAT VELARDE HAS REQUESTED A LEGAL BRIEF FROM THE SCT LEGAL COUNSEL OFFICE RESPECTING HIS POSITION.

3. BECAUSE OF UNCLEAR LEGAL PICTURE AND SUBSEQUENT

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ADVICE FROM VARIOUSGOM OFFICIALS THAT THE FOREIGN STOCK-
HOLDERS REFRAIN FROM ACTING PRECIPITIOUSLY, GENERAL
STEAMSHIP CORP. EXECUTIVE BELIEVES DECISION WILL BE TAKEN
NOT TO ACQUIESCE TO VELARDE REQUEST.

4. LENGTHY AIRGRAM SETTING FORTH SITUATION IN DETAIL AND
REQUESTING DEPARTMENT'S VIEWS TO BE POUCHED.

5. COMMENT: NAVIMEX'S OPERATIONS HAVE BEEN CIRCUMSCRIBED
SEVERELY AS THE RESULT OF A CONCERTED CAMPAIGN UNDERTAKEN
BY THE LAST ADMINISTRATION AND THE MEXICAN LINE. VELARDE'S
MOVE WAS UNEXPECTED IN THAT NAVIMEX FELT THAT THE
NEW ADMINISTRATION WOULD TAKE A DIFFERENT TACT THAN THE PRE-
VIOUS ONE. EMBASSY NOT CONVINCED AS OF YET THAT MOVE WAS
CLEARED AT HIGHER GOM LEVEL. MATTER, IF PUSHED BY GOM,
COULD PLACE GOVERNMENT AND NAVIMEX AT LOGGERHEADS AND
CONCEIVABLY COULD HARM INVESTMENT CLIMATE AND BECOME A TYPE
OF GOVERNMENT-TO-GOVERNMENT EXPROPRIATION ISSUE.
THOMPSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, STOCKS (SECURITIES), STEAMSHIP LINES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: MEXICO
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770137/aaaabgnc.tel
Line Count: 81
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Litigation History:
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Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
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Retention: 0
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
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